

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	InterMedia Capital Partners IV, L.P.	Various TCI Entities Institutional Investors InterMedia Capital Management IV, L.P. ICM-IV Capital Partners, LLC InterMedia Capital Management, LLC	44.580% limited 48.933% limited 1.186% limited 1.514% limited 0.001% mgp	940,000	595,000	Y
	Intermedia Capital Partners VI, L.P.	TCI IP-VI, LLC InterMedia Capital Management VI, LLC InterMedia Capital Management VI, L.P. Leo J. Hindery, Jr. Blackstone KC Offshore Capital Partners L.P.; Blackstone KC Capital Partners L.P.; Blackstone Family Investment Partnership III L.P.	49.005% limited .001% general .999% limited .495% limited 49.500% limited (combined interest)	653,000	424,000	Y
	Lenfest Communications, Inc.	LMC Lenfest, Inc. H.F. Lenfest; S. Morris/H. Brooks C/F Diane A.; S. Morris/H. Brooks C/F Brook J.S. Morris/H. Brooks C/F H. Chase	50.00% 50.00% combined	1,383,000	1,014,000	Y
	Clearview Partners	[LENFEST SUB]		15,000	10,000	Y
	Garden State Cable TV	[LENFEST SUB]		302,000	212,000	Y
	Raystay Co.	[LENFEST SUB]		86,000	61,000	Y
	Susquehanna	[LENFEST SUB]		215,000	169,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	Kansas City Cable Partners	Liberty Cable of Missouri, Inc. TCI of Overland Park, Inc. Time Warner Entertainment Company, L.P.	46.20% general 3.80% general 50.00% general	497,000 (These homes passed also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	307,000 (These subscribers also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	N
	Texas Cable Partners, L.P.	TCI Texas Cable Holdings LLC TCI Texas Cable, Inc. Time Warner Entertainment - Advance/Newhouse TWE-A/N Texas Cable Partners General Ptnr.	49.50% limited 0.50% general 49.50% limited 0.50% general	2,189,000 (These homes passed also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	1,109,000 (These subscribers also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	N
	Peak Cablevision, LLC	TCI American Cable Holdings III, L.P. Fisher Communications, L.L.C.	66.667% member 33.333% member	180,000	113,000	Y
	TCA Cable Partners II	TCI American Cable Holdings IV, L.P. TCA Holdings II, L.P. (a Texas limited partnership)	20.00% general 80.00% general	450,000	308,000	Y
	US Cable of Coastal - Texas, L.P.	TCI USC, Inc. US Cable Holdings, L.P.	37.06% limited 62.94% general	216,000	135,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	CAT Partnership	TCI Holdings II, Inc. Time Warner Entertainment Company, L.P. KBL Communications, Inc. Comcast Cable Communications, Inc.	33.333% general 16.667% general 16.667% general 33.333% general	57,000	39,000	Y
	Sioux Falls	Liberty of South Dakota, Inc. Midco of South Dakota, Inc.	50% general 50% general	98,000	65,000	Y

MEDIAONE CABLE OWNERSHIP

ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	WILL PURCHASE PROGRAMMING THROUGH AT&T
MediaOne	MediaOne	100%	8,530,000	4,970,000	Y
Time Warner Entertainment	MediaOne	25.51%	17,940,000	11,150,000	N
	Time Warner	74.49%			

APPENDIX B

STAMP AND RETURN

COLE, RAYWID & BRAVERMAN, L.L.P.

ATTORNEYS AT LAW

SECOND FLOOR

1919 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-3458

(202) 659-9750

JOHN P. COLE, JR.
 BURT A. BRAVERMAN
 ROBERT L. JAMES
 JOHN D. SEIVER
 WESLEY R. HEPPLER
 PAUL GLIST
 DAVID M. SILVERMAN
 JAMES F. IRELAND, III
 STEVEN J. HORVITZ
 CHRISTOPHER W. SAVAGE
 ANN FLOWERS
 ROBERT G. SCOTT, JR.
 SUSAN WHELAN WESTFALL
 THERESA A. ZETERBERG
 KARLYN D. STANLEY
 JOHN DAVIDSON THOMAS
 JOHN C. DODGE
 FREDERICK W. GIROUX
 GEOFFREY C. COOK
 MARIA T. BROWNE
 DONNA C. RATTLEY
 THOMAS SCOTT THOMPSON
 ADAM S. CALDWELL
 SANDRA GREINER GIBBS
 JAMES W. TOMLINSON
 MARK S. KRISTIANSEN
 CHRISTIN S. MCMELEY*
 HEATHER M. WILSON
 DAVID N. TOBENKIN*

*ADMITTED IN OKLAHOMA ONLY
 *ADMITTED IN CALIFORNIA ONLY

July 7, 1999

99-251

JUL 07 1999
 ALAN RAYWID
 (930-1991)
 OF COUNSEL
 FRANCES J. CHETWYND
 ELLEN S. DEUTSCH

FACSIMILE
 (202) 452-0067

INTERNET
 WWW.CRBLAW.COM

RECEIVED

JUL 12 1999

FEDERAL COMMUNICATIONS COMMISSION
 OFFICE OF THE SECRETARY

BY HAND DELIVERY

Federal Communications Commission
 Transfer of Control
 P. O. Box 358130
 Pittsburgh, PA 15251-5130

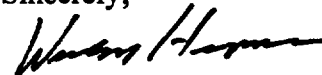
Re: Transfer to AT&T Corp. of MediaOne's Interest in FCC Licenses
 WNER967 -- Decatur, GA
 WNES554 -- Atlanta, GA
Private Operational Fixed Microwave Service

Ladies and Gentlemen:

Enclosed please find FCC Form 415 requesting authority for the transfer from MediaOne to AT&T Corp. of MediaOne's interest in MediaOne of Colorado, Inc. the licensee of the above-referenced facilities. We are also enclosing FCC Form 159 and a check in the amount of \$90.00 to cover the required filing fee.

Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,



Wesley R. Heppler

Enclosure

READ INSTRUCTIONS CAREFULLY
• BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 3060-0589

SPECIAL USE

FCC USE ONLY

PAGE NO. 1 OF 1

(1) LOCKBOX #

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Cole, Raywid & Braverman, L.L.P.

(3) TOTAL AMOUNT PAID (dollars and cents)

\$ 90.00

(4) STREET ADDRESS LINE NO. 1

1919 Pennsylvania Avenue, N.W.

(5) STREET ADDRESS LINE NO. 2

Suite 200

(6) CITY

Washington

(7) STATE

DC

(8) ZIP CODE

20006

(9) DAYTIME TELEPHONE NUMBER (include area code)

202-659-9750

(10) COUNTRY CODE (if not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

AT&T Corp.

(12) STREET ADDRESS LINE NO. 1

32 Avenue of the Americas

(13) STREET ADDRESS LINE NO. 2

(14) CITY

New York

(15) STATE

NY

(16) ZIP CODE

10013

(17) DAYTIME TELEPHONE NUMBER (include area code)

(18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID

WNER-967

(20A) PAYMENT TYPE CODE (PTC)

P A T M

(21A) QUANTITY

1

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ 45.00

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

WNES-554

(20B) PAYMENT TYPE CODE (PTC)

P A T M

(21B) QUANTITY

1

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

\$ 45.00

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25)

PAYER TIN

0 5 2 0 8 2 0 0 7 1

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2

APPLICANT TIN

0 1 3 4 9 2 4 7 1 0

SECTION E - CERTIFICATION

(27) CERTIFICATION STATEMENT

I, Julie P. Gordy, Certify under penalty of perjury that the foregoing and supporting information
(PRINT NAME)
are true and correct to the best of my knowledge, information and belief. SIGNATURE Julie P. Gordy

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--

MONTH YEAR

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD
for the service(s)/authorization(s) herein described.

AUTHORIZED SIGNATURE

DATE

COLE, RAYWID & BRAVERMAN, L.L.P.
VENDOR

CHECK NO. **58900**

OUR REF. NO.	YOUR INV. NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
21692	0617991	06/17/99	90.00	90.00 Check total	.00 90.00

COLE, RAYWID & BRAVERMAN, L.L.P.
1919 PENNSYLVANIA AVENUE N.W.
WASHINGTON, DC 20006-3458

NATIONSBANK, N.A.
15-120-540

58900

CHECK NO. 058900 CHECK DATE 06/17/99 VENDOR NO. FCC

PAY
NINETY AND 00/100 DOLLARS*****

CHECK AMOUNT
\$*****90.00

TO THE
ORDER
OF
FEDERAL COMMUNICATIONS
COMMISSION

Phil Br

⑈058900⑈ ⑆054001204⑆ 002086050069⑈

Security features included. Details on back.

FCC 415

Main Form

FEDERAL COMMUNICATIONS COMMISSIONApproved by OMB
3060-0747
Expires 12/31/99
Est. Avg. Burden Hours
Per Response: 7 hrs.**FCC Use Only**
(File Number)**Application for Authorization in the Microwave Services**

Parts 74 and 101

FEE Use Only**FILING FEE**

(a) Fee Type Code	(b) Fee Multiple	(c) Fee Due for Fee Type Code in (a)	(d) Total Amount Due	FEE Use Only
PATM	2	45.00	\$ 90.00	

APPLICANT

1. Legal Name of Applicant AT&T Corp.		2. Voice Telephone Number 202-457-2000	
3. Assumed Name Used for Doing Business (if any)		4. Fax Telephone Number 202-457-2571	
5. Mailing Address, Street or P.O. Box 32 Avenue of the Americas (1120 20th St., N.W., Washington, DC 20006) ATTENTION:			
6. City New York		7. State NY	8. Zip Code 10013
9. E-mail or Internet Address		10. Taxpayer Identification Number 13-4924710	
11. Name of Contact Representative (if other than applicant) Wesley R. Heppler, Esq./Julie P. Gordy, Legal Assistant		12. Voice Telephone Number 202-659-9750	
13. Contact Representative Firm or Company Name Cole, Raywid & Braverman, L.L.P.		14. Fax Telephone Number 202-452-0067	
15. Mailing Address, Street or P.O. Box 1919 Pennsylvania Avenue, N.W., Suite 200			
16. City Washington		17. State DC	18. Zip Code 20006

CLASSIFICATION OF FILING

19. Type of Applicant (C) Individual Partnership Corporation Unincorporated Association Governmental Entity		
20. Does applicant qualify as a Non-Commercial Educational Broadcaster? (N) Yes No		
21. If this filing is an Amendment to a pending application: File number of Pending application: N/A Receipt Date: N/A		22. Eligibility Rule Section 101.7
		23. Service Type Code OFS
24. Does this filing propose a waiver or exception to the Commission's Rules? *If "yes", attach exhibit explaining circumstances. (N) Yes No		
25. Does this filing pose potential interference to Geostationary Satellite Operation? *If "yes", attach exhibit explaining circumstances. (N) Yes No		
26. Is notification to the National Radio Astronomy Observatory required? If "Yes", provide date of notification: (N) Yes No		
27. If this filing is in reference to an existing station at the same location, give the call sign. If this filing is for a Transfer of Control or Assignment of Authorization, list all call signs to be transferred or assigned: WNER-967 (Decatur, GA) WNES-554 (Atlanta, GA)		

ADMINISTRATIVE INFORMATION

28. The purpose of this filing is to: (H) Enter one or more letters that correctly describes the purpose of this filing.	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">A</td><td>request an initial authorization for a new station (all)</td></tr> <tr><td>B</td><td>request authorization for modification of an existing licensed station (all)</td></tr> <tr><td>C</td><td>request authorization for a minor modification (Private and Common Carrier)</td></tr> <tr><td>D</td><td>request authorization to renew an existing licensed station (all)</td></tr> <tr><td>E</td><td>request authorization to reinstate an expired licensed station (all)</td></tr> <tr><td>F</td><td>request a full assignment of a radio station authorization (Private)</td></tr> <tr><td>G</td><td>request authorization of a developmental station (Private and Common Carrier)</td></tr> <tr><td>H</td><td>request authorization for transfer of control (Private)</td></tr> <tr><td>I</td><td>request authorization to convert from Private to Common Carrier (Common Carrier)</td></tr> <tr><td>J</td><td>request amendment to a pending application (all)</td></tr> </table>	A	request an initial authorization for a new station (all)	B	request authorization for modification of an existing licensed station (all)	C	request authorization for a minor modification (Private and Common Carrier)	D	request authorization to renew an existing licensed station (all)	E	request authorization to reinstate an expired licensed station (all)	F	request a full assignment of a radio station authorization (Private)	G	request authorization of a developmental station (Private and Common Carrier)	H	request authorization for transfer of control (Private)	I	request authorization to convert from Private to Common Carrier (Common Carrier)	J	request amendment to a pending application (all)
A	request an initial authorization for a new station (all)																				
B	request authorization for modification of an existing licensed station (all)																				
C	request authorization for a minor modification (Private and Common Carrier)																				
D	request authorization to renew an existing licensed station (all)																				
E	request authorization to reinstate an expired licensed station (all)																				
F	request a full assignment of a radio station authorization (Private)																				
G	request authorization of a developmental station (Private and Common Carrier)																				
H	request authorization for transfer of control (Private)																				
I	request authorization to convert from Private to Common Carrier (Common Carrier)																				
J	request amendment to a pending application (all)																				
29. If this filing is for modification of an existing licensed station, or is for a partial assignment of authorization, specifically describe changes requested. N/A																					
30. Number of associated applications filed as a system. N/A	31. FCC File Numbers of associated applications filed as a system, if known N/A																				
32. Type of MAS Operation ()	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-right: 1px solid black; padding: 2px;"> Two-way master-remote One-way outbound One-way Inbound </td> <td style="width: 33%; border-right: 1px solid black; padding: 2px;"> Mobile meter reader Subfrequency operation Multiple master operation </td> <td style="width: 34%; padding: 2px;"> 33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div> </td> </tr> </table>	Two-way master-remote One-way outbound One-way Inbound	Mobile meter reader Subfrequency operation Multiple master operation	33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div>																	
Two-way master-remote One-way outbound One-way Inbound	Mobile meter reader Subfrequency operation Multiple master operation	33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div>																			

POINT OF CONTACT FOR TECHNICAL OPERATIONS

34. Mailing address street or geographical description 2925 Courtyards Drive		35. Voice Telephone Number 770-559-2424
36. City Norcross	37. State GA	38. Zip code 30071

BROADCAST AUXILIARY APPLICANTS

39. Name of Broadcast Auxiliary frequency coordinator	40. Voice Telephone Number
41. Call Sign of associated Broadcast Station, if any	42. Radio Service Code of associated Broadcast Station

TRANSFER OF CONTROL APPLICANTS

43. Is this a pro forma Transfer of Control? (Y) Yes No		
44. Is each station named in item 27 of this filing constructed and operational? (Y) Yes No		
45. Name of Transferee AT&T Corp.		
46. Transferee's Mailing Address, Street 32 Avenue of the Americas (1120 20th St., N.W., Washington, DC 20036)		
47. City New York	48. State NY	49. Zip code 10013

ENVIRONMENTAL POLICY

50. Would a Commission grant of any proposal in this application or amendment have a significant environmental effect as defined by 47 CFR 1.1307?

(N) Yes No

• If "yes", attach environmental assessment as required by 47CFR 1.1308 and 47 CFR 1.1311.

FOREIGN GOVERNMENT REPRESENTATION

51. Is the applicant a foreign government or the representative of any foreign government?

(N) Yes No

COMMON CARRIER APPLICANTS - ALIEN OWNERSHIP

52. Is the applicant an alien or the representative of an alien?*

() Yes No

53. Is the applicant a corporation organized under the laws of any foreign government?*

() Yes No

54. Is the applicant a corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?*

() Yes No

55. Is the applicant a corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country?

() Yes No

• If "yes", attach exhibit explaining nature and extent of alien or foreign ownership or control.

*If yes, attach exhibit explaining circumstances.

BASIC QUALIFICATIONS

(To be completed by Private Operational Fixed and Common Carrier applicants only.)

56. Has the applicant or any party to this application or amendment had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission?*

(N) Yes No

57. Has the applicant, or any part to this application or amendment, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court?*

(N) Yes No

58. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition?*

(N) Yes No

59. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items?*

(N) Yes No

60. Is this a Common Carrier corporation?

If "Yes", attach exhibit showing names, addresses and citizenship of those stockholders owning of record and/or voting 10 percent or more of the filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the applicant as well as any controlling corporations. If this information is currently up to date and on file with the Commission, this additional exhibit is not required with this filing.

(N) Yes No

* If "yes", attach exhibit explaining circumstances.

CERTIFICATION

The APPLICANT waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that neither the applicant nor any other party to the application* is subject to a denial of Federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C., Section 862, because of a conviction for possession or distribution of a controlled substance. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

*See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.

61. Typed Name of Person Signing

Rick D. Bailey

62. Title

Vice President

63. Signature

Rick D. Bailey

64. Date

July 1, 1999

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB
3060-0127
See below for public
burden estimate

ASSIGNMENT OF AUTHORIZATION

To be used in the Private Radio Services indicated below, where the present licensee's activities are intended to be continued under new ownership.

1. The present licensee completes the information requested below.
2. This form is then attached to the proper application form (see below) which has been completed by the party requesting the station license, the assignee.
3. If more than one authorization is involved, use a separate Assignment of Authorization and a separate application form for each requested authorization.

INVOLUNTARY ASSIGNMENT


In the event of the assignor's death or legal disability, it is requested that, in lieu of the declaration appearing below, you submit a copy of the court order or other documentary proof that you are the person legally qualified to succeed to the assignor's business assets, or a statement explaining the circumstances under which control must be involuntarily transferred to the assignee, accompanied by the appropriate application form (see below) for assignment of each such authorization.

Radio Service Application Forms

Commission Rules

FCC Form 600 - Application for Mobile Radio Service Authorization or Rural Radiotelephone Service Authorization
FCC Form 415 - Application for Station Authorization in the Microwave Services
FCC Form 406 - Application for Ground Station Authorization in the Aviation Services
FCC Form 503 - Application for Land Radio Station License in the Maritime Services

47 CFR Part 90
47 CFR Part 101
47 CFR Part 87
47 CFR Part 80

CURRENT AUTHORIZATION	
Radio Service OFS Call Sign WNES-554	Licensee Name and Station Location MediaOne of Colorado, Inc. Atlanta, GA
<p style="text-align: center;">CERTIFICATION</p> <p>I hereby propose the assignment ^{transfer} of all my right, title and interest in the authorization described above. Such assignment ^{transfer} to AT&T Corp. shall not be completed nor become effective until authorization has been issued by the Commission in the name of the assignee ^{transferee}. My authorization will be submitted to the Commission for cancellation upon completion of assignment ^{transfer}.</p>	
Name of Assignor (include title, if applicable) Transferor Steven Brilz, Assistant Secretary	Assignor's Signature and Date Transferor's  6/28/99

NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT OF 1974 AND THE PAPERWORK REDUCTION ACT OF 1995

The solicitation of personal information requested in this form is authorized by the Communications Act. The Commission will use the information provided in this form to determine whether grant of this application is in the public interest. In reaching that determination, or for law enforcement purposes, it may become necessary to refer personal information contained in this form to another government agency. In addition, all information provided in this form, as well as the form itself, will be available for public inspection. If information requested on the form is not provided, processing of the application may be delayed or the application may be returned without action pursuant to Commission Rules. The foregoing notice is required by the Privacy Act of 1974, Public Law 93-579, December 31, 1974, 5 U.S.C. Section 552a(e)(3) and the Paperwork Reduction Act of 1995, Public Law 104-13, October 1, 1995, 44 U.S.C. 3507.

Public reporting burden for this collection of information is estimated to average five minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden to Federal Communications Commission, Records Management Branch, AMD-IM, Washington, DC 20554, Paperwork Reduction Project (3060-0127) or via the Internet to dconway@fcc.gov. DO NOT SEND COMPLETED APPLICATIONS TO THIS ADDRESS. Individuals are not required to respond to a collection of information unless it displays a valid OMB control number.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Applications for Consent to the)
Transfer of Control of Licenses)
)
MediaOne Group, Inc.,)
Transferor)
)
To)
)
AT&T Corp.,)
Transferee)

APPLICATIONS AND PUBLIC INTEREST STATEMENT

DESCRIPTION OF THE TRANSACTION, PUBLIC INTEREST SHOWING
AND RELATED DEMONSTRATIONS

AT&T CORP.

Mark C. Rosenblum
Stephen C. Garavito
Lawrence J. Lafaro
AT&T Corp.
Room 3252G1
295 North Maple Avenue
Basking Ridge, NJ 07920

MEDIAONE GROUP, INC.

Susan M. Eid
Sean C. Lindsay
MediaOne Group, Inc.
1919 Pennsylvania Avenue, N.W.
Suite 610
Washington, DC 20006

Howard J. Symons
Michelle M. Mundt
**Mintz Levin Cohn Ferris
Glovsky & Popeo, P.C.**
701 Pennsylvania Avenue, N.W.
Suite 900
Washington, DC 20004

Wesley R. Heppler
Robert L. James
Cole Raywid & Braverman, L.L.P.
1919 Pennsylvania Avenue, N.W.
Suite 200
Washington, DC 20006

David W. Carpenter
Mark D. Schneider
David L. Lawson
Lorrie M. Marcil
C. Frederick Beckner
Sidley & Austin
1722 Eye Street, N.W.
Washington, DC 20006

Philip L. Verveer
Michael H. Hammer
Michael G. Jones
Francis M. Buono
Willkie Farr & Gallagher
1155 21st Street, N.W.
Suite 600
Washington, DC 20036

July 7, 1999

TABLE OF CONTENTS

DESCRIPTION OF TRANSACTION, PUBLIC INTEREST SHOWING, AND RELATED DEMONSTRATIONS	1
I. INTRODUCTION	2
II. DESCRIPTION OF THE TRANSACTION	5
A. The Merger.....	5
B. The Merger Parties	6
III. MERGER STANDARDS	18
IV. THIS MERGER WILL PRODUCE SUBSTANTIAL PROCOMPETITIVE BENEFITS THAT OUTWEIGH ANY CONCEIVABLE HARMS.....	20
A. The Merger Will Produce Benefits In The Provision Of Telephone, Internet And Cable Service	20
B. These Benefits Cannot Be Achieved Independent Of The Merger.....	31
V. COMPETITIVE ANALYSIS.....	33
A. Local Exchange And Exchange Access Services	33
B. Domestic Long Distance Services.....	37
C. International Telephone Service.....	38
D. Mobile Telephone Service	38
E. Multichannel Video Programming Distribution	41
F. Video Programming	43
1. The Merger will have No Adverse Effects on Competition in the Provision of Video Programming.....	44
2. AT&T-MediaOne will have No Ability to Exercise Monopsony Power or Engage in Vertical Foreclosure.....	45
a. Competition from alternative MVPDs constrains the ability of any MSO to engage in vertical foreclosure or exercise monopoly power.....	46
b. AT&T-MediaOne will control far too few distribution outlets to engage in vertical foreclosure or exercise monopsony power	54

3.	The Commission's Suspended Horizontal Cable Ownership Rules, however they are Ultimately Resolved, should Not be an Obstacle to the Merger.....	60
G.	Internet Services.....	67
1.	The Market for Internet Access Services is Highly Competitive and AT&T's Investment in Cable Systems will Make it More So.....	70
2.	The Merger will Not have any Anticompetitive Effects in the Internet Access Services Market.....	82
a.	Residential Internet access services will remain competitive post-Merger.....	83
b.	The Merger will not impede access to Internet content	84
c.	AT&T's ownership interest in @Home and Road Runner raises no anticompetitive concerns.....	87
d.	The availability of an integrated cable Internet service that brings together high-speed access and enriched content does not present any anticompetitive concern	89
VI.	PROCEDURAL MATTER.....	90

**DESCRIPTION OF TRANSACTION,
PUBLIC INTEREST SHOWING,
AND RELATED DEMONSTRATIONS**

This Exhibit is being filed in connection with a series of applications seeking the consent of the Federal Communications Commission ("FCC") to the transfer of control of Commission authorizations held by subsidiaries of MediaOne Group, Inc. ("MediaOne"), and entities controlled by MediaOne, to AT&T Corp. ("AT&T").¹ The applications are being filed pursuant to an Agreement and Plan of Merger dated as of May 6, 1999 (the "Agreement").² Through the use of facilities that are the subject of its Commission authorizations and licenses, MediaOne owns, operates and controls interests in various cable television systems throughout the United States. As this public interest showing demonstrates, the Merger will foster new facilities-based competition in the provision of local telephone service and result in new, enhanced and competitive services to the public without reducing competition in any service.³

Under the terms of the Agreement, AT&T effectively will become the parent company of MediaOne. The stockholders of MediaOne will exchange their shares of stock in MediaOne for shares of AT&T common stock, cash, or a combination of both. Specifically, AT&T will create Merger Sub, a wholly-owned subsidiary that does not hold any Commission

¹ The Commission authorizations controlled by MediaOne for which Commission consent is currently being sought include licenses in the cable television relay service, satellite transmit and receive earth station service, private radio service and international common carrier service.

² The Agreement is among AT&T, Meteor Acquisition Inc., a direct wholly-owned subsidiary of AT&T ("Merger Sub"), and MediaOne, with respect to the merger of MediaOne with and into Merger Sub (the "Merger").

³ Although specific applications seeking Commission consent to the transfer of control of these authorizations are being filed on the appropriate Commission forms for each service, the proposed transactions and public interest considerations supporting the Commission's approval of the applications are the same for each application.

licenses, and will merge MediaOne into that company; Merger Sub will be the surviving company of the Merger, continuing to be wholly owned by AT&T and succeeding to all the assets, liabilities and businesses of MediaOne. The authorizations and licenses held by MediaOne subsidiaries will continue to be held by those subsidiaries, as controlled indirectly by AT&T.

I INTRODUCTION

The Commission has recognized that one of the principal goals of the Telecommunications Act of 1996 (the "1996 Act" or "Act") was to open local exchange and exchange access service to competition.⁴ At the time the 1996 Act was enacted, both the House and the Senate stressed the primary importance of promoting competition in the provision of local telephone service.⁵ Nevertheless, more than three years after the passage of the 1996 Act, incumbent local exchange carriers ("ILECs") retain monopoly control over local exchange and exchange access service areas nationwide. Although competition for the largest business customers is beginning to develop in some urban areas,⁶ competition for residential and small

⁴ See, e.g., *Defining Primary Lines*, 12 FCC Rcd. 13647, ¶ 25 (1997).

⁵ See H.R. Rep. No. 104-204, at 48 (1995) (main component of the bill "promotes competition in the market for local telephone service"); S. Rep. No. 104-23, at 5 (1995) (legislation "reforms the regulatory process to allow competition for local telephone services by cable, wireless, long distance" and other entities).

⁶ Memorandum Op. and Order, *Applications for Consent to Transfer of Control of Licenses and Section 214 Authorizations from Southern New England Telecommunications Corp., Transferor, to SBC Communications, Inc., Transferee*, 13 FCC Rcd. 21292, ¶ 20 (1998) ("SBC-SNET"); Memorandum Op. and Order, *Applications for Consent to Transfer of Control of Licenses and Section 214 Authorizations from Tele-Communications, Inc., Transferor, to AT&T Corp., Transferee*, CS Docket No. 98-179, ¶ 50 (FCC Feb. 18, 1999) ("AT&T-TCI").

business (“mass market”) local exchange and exchange access service has been virtually non-existent.⁷ In approving AT&T’s acquisition of Tele-Communications, Inc. (“TCI”), the Commission recognized the profound benefits that mass market consumers would realize from the vigorous competition in residential local exchange service that would result from the combination of AT&T’s telephony brand and experience with the network assets of a cable company.⁸

Like the Commission, AT&T is “committed to ensuring that residential local exchange competition becomes a reality sooner rather than later.”⁹ AT&T has repeatedly demonstrated its commitment to developing competition in local exchange services through the expenditure of substantial capital and effort. Indeed, in pursuit of its goal to provide local telephone service and Internet access alternatives at the mass market level in numerous individual service areas and across the United States, AT&T has taken substantial risks, committing to invest more than \$100 billion of shareholder assets that will be necessary to provide facilities-based local telephone competition sooner rather than later. In addition to those associated with the TCI and MediaOne mergers themselves. These assets include billions of dollars expended on capital upgrades to facilities to provide for high quality Internet protocol (“IP”) local telephone service, and prior to the initiation of such IP telephony, competition in the

⁷ Memorandum Op. and Order, *In re Application of Teleport Communications Group, Inc., Transferor, and AT&T Corp., Transferee*, 13 FCC Rcd. 15236, ¶ 24 (1998) (“*AT&T-Teleport*”) (ILECs “are the sole actual providers of local exchange and exchange access services to the vast majority of residential and small business customers in most areas of the United States.”)

⁸ *AT&T-TCI* ¶¶ 146-47.

⁹ *Id.* ¶ 48.

provision of facilities-based, circuit-switched local telephony. As the Commission recognized in *AT&T-TCI*, the best prospect for bringing effective competition to local exchange service areas in the near future is through combinations of complementary assets by emerging entrants into previously foreclosed markets.¹⁰

For the same reasons that it found that AT&T's acquisition of TCI was pro-competitive and served the public interest, the Commission also should find that the Merger of AT&T and MediaOne is pro-competitive and serves the public interest. Because of the complementary nature of AT&T's and MediaOne's assets, the combined entity will be able to provide an alternative to the dominant ILECs' services for residential customers far more quickly and effectively than either entity could separately. The combination of AT&T and MediaOne will foster competition in local telephony almost immediately in some service areas, where MediaOne's ongoing upgrade of its cable facilities to provide for telephony can be immediately combined with AT&T's superior brand, engineering and network management experience, customer care, as well as scale economies, to provide for competition that simply does not exist today. In other MediaOne service areas, AT&T's capital and telephony experience will expedite the construction and deployment of competitive facilities-based local telephony. The scale and clustering economies that will accompany the combination of the assets of AT&T and MediaOne will create a stronger competitor to ILECs that have the advantage of enormous geographic reach, clustering and home penetration at levels that neither MediaOne nor AT&T could achieve absent the Merger.¹¹

¹⁰ *Id.*

¹¹ Even with the Merger, AT&T-MediaOne cannot achieve the same levels of clustering and home penetration as the largest ILECs.

The Merger will provide these benefits, as well as other benefits in the video and Internet access services described below, without diminishing competition in the provision of any services, given the complementary, rather than competing, nature of the assets of AT&T and MediaOne. AT&T and MediaOne do not serve the same geographic service areas except in a few insignificant instances of overlap, and the Merger therefore will not eliminate current or probable future competitors. Given the combined market shares of AT&T and MediaOne, the Merger also will not significantly increase concentration in any telephony, video or Internet service. Nor will the Merger give AT&T the ability or the incentive either to exercise monopsony power in video programming or to foreclose access to cable programmers that sell programming in competition with the programming provided by Liberty Media Group, which is independently managed and controlled by the holders of a separate tracking stock within AT&T. Rather, AT&T will have an even greater incentive to provide consumers access to the largest amount of programming possible in order to maximize the value of its cable assets.

For these reasons, the Merger is in the public interest and the applications for consent to the transfer of control of MediaOne's licenses to AT&T should be granted.

II. DESCRIPTION OF THE TRANSACTION

A. The Merger

MediaOne will be merged into Merger Sub, a wholly-owned subsidiary of AT&T, and will no longer exist as a separate entity. MediaOne's shareholders will have the option to

convert their shares into cash, shares in AT&T or a combination of both, based on the shareholder's election.¹²

B. The Merger Parties

AT&T - Telephony. AT&T provides domestic and international long distance telephone services to residential, business, and government customers in the United States and to more than 250 countries and territories around the world. AT&T also provides other communications services, including local telephone, wireless, and Internet access services. AT&T's 1998 communications services revenues were \$53.2 billion.¹³ In 1998, AT&T earned \$22.9 billion in revenue from its business services, \$22.6 billion from its consumer services and \$5.4 billion from its wireless services.¹⁴

¹² Shortly before entering into the Agreement, AT&T also entered into a Letter Agreement with Comcast Corporation ("Comcast"), which contemplates an exchange between AT&T and Comcast of certain cable television systems ("Comcast Exchange"). Upon the consummation of the Merger and the fulfillment of certain other conditions, Comcast will transfer to AT&T cable systems in Ft. Lauderdale and Davie, Florida; Sacramento, California; Chesterfield, Virginia; Chamblee, Georgia; Chicago, Illinois; Westmoreland, Pennsylvania; and the State of Colorado. AT&T will transfer to Comcast cable systems in Naples and Ft. Myers, Florida; Detroit, Michigan; Washington, D.C.; Baltimore and Ocean City, Maryland; the State of New Mexico; Philadelphia, Pennsylvania; and other systems in Michigan or in Nashville, Tennessee. In addition, AT&T currently owns 50 percent of the equity of Lenfest Communications, Inc. and has entered into an agreement to purchase the remaining 50 percent. Subject to certain conditions, Comcast will manage the cable television systems owned or controlled by Lenfest for ten years following AT&T's acquisition of the remainder of Lenfest. Applications for the FCC's consent to the transfers associated with these transactions will be presented in separate filings.

¹³ 1998 AT&T Annual Report at 32.

¹⁴ *Id.*

AT&T currently provides local telephone service – local exchange and exchange access services – on a limited basis.¹⁵ At the time of its acquisition of TCI, AT&T offered resold local exchange service to less than one-half of one percent of its total residential customers.¹⁶ At the present time, AT&T resells local exchange service to approximately 220,000 customers in seven states.¹⁷ Although AT&T's revenues from all local telephone services increased, from \$562 million in 1997 to \$974 million in 1998,¹⁸ revenues from local telephone service continue to comprise only a very small percentage of AT&T's total revenues and of total industry revenues in those markets.¹⁹

In July 1998, AT&T acquired Teleport, primarily to expand its offering of local exchange and exchange access services for business customers.²⁰ AT&T and Teleport together accounted for only 0.8 percent of 1997 local exchange and exchange access service revenues for large business customers.²¹

¹⁵ See *AT&T-TCI* ¶ 3; *AT&T-Teleport* ¶ 4.

¹⁶ *AT&T-TCI* ¶ 3 & n.7 (AT&T resold local telephony to approximately 325,000 customers).

¹⁷ These states include California, Connecticut, Georgia, Illinois, Michigan, New York, and Texas.

¹⁸ 1998 AT&T Annual Report at 42.

¹⁹ AT&T's efforts to compete in the provision of local exchange and exchange access service through resale of ILEC service, interconnection to ILEC facilities, and construction of its own facilities (ADL and SONET Ring), are now a matter of a well-documented record before the Commission. See generally *AT&T-TCI*; *AT&T-Teleport*.

²⁰ *AT&T-Teleport* ¶ 8.

²¹ *Id.* ¶ 36. In addition, Teleport had only a minuscule share of the local exchange and exchange access service residential and small business revenues. *Id.* ¶ 33. At the time of the merger, Teleport operated in 83 cities in the United States, including 29 of the largest 30, providing local exchange and exchange access services primarily to business customers in urban areas and to a relatively small number of residents in multiple dwelling units in high-density areas. *Id.* ¶ 5.

In March 1999, a subsidiary of AT&T merged with TCI, and AT&T became the parent company of TCI. The merger enabled AT&T to integrate its telecommunications business with TCI's cable networks and thereby begin to build facilities-based local residential telecommunications networks where TCI operated cable systems. At the time of the merger, TCI was primarily a cable company, but was engaging in limited tests of local exchange service in San Jose, California; Dallas, Texas; Hartford, Connecticut; and Arlington Heights, Illinois.²² AT&T has proceeded to upgrade TCI's cable network and deploy local telephony facilities, and already has begun providing facilities-based local exchange telephone service in Fremont, California.²³

AT&T also provides wireless telephone services through its ownership and operation of AT&T Wireless Services Inc. ("AT&T Wireless").²⁴ AT&T Wireless operates and holds interests in commercial mobile radio service ("CMRS") systems in 26 of the 30 largest service areas in the United States. In 1998, AT&T Wireless generated revenues of approximately \$5.4 billion from a wireless customer base of 9.7 million.²⁵

AT&T – Cable Television Systems and Video Programming. AT&T, through its subsidiary TCI, delivers a wide range of video products, including local broadcast stations;

²² TCI had announced plans to sell its operations in Hartford, where the majority of its local residential business was located, to Cablevision Systems Corporation.

²³ See *AT&T-TCI* ¶ 148. The initiation of telephone service to residential customers in Fremont is part of a plan to initiate service in 10 areas in the near future.

²⁴ *Id.* ¶ 4.

²⁵ 1998 AT&T Annual Report at 32. In addition, AT&T has placed into a trust arrangement, pending sale over a period of time approved by the Commission and the Department of Justice, approximately 23.8 percent of the outstanding shares of Sprint PCS Tracking Stock. See *AT&T-TCI* ¶ 107.

national, regional, and local cable programming services; premium movie and pay-per-view services; and sports programming services to homes and businesses nationwide. AT&T generally divides its interests in cable systems into three categories: owned and operated systems (in which AT&T is the 100 percent owner); consolidated systems (in which AT&T has a greater than 50 percent, but less than 100 percent, interest, and which are consolidated for financial reporting purposes); and non-consolidated systems (in which AT&T has a 50 percent or less interest). A detailed list of these interests, along with the approximate number of cable homes passed and subscribers served, is contained in Appendix A.

Through its indirect 100 percent ownership of the outstanding capital stock of Liberty Media Corporation ("LMC") and several other corporations, AT&T also holds an interest in Liberty Media Group ("Liberty"). LMC and its subsidiaries own assets representing substantially all the assets attributed to Liberty. Liberty has an interest in the following video programming providers: Discovery Communications, Inc., USA Networks, Telemundo Network, Telemundo Station Group, BET Holdings II, Inc., Fox Sports World, Fox Sports World Español, Fox Sports South, Fox/Liberty Networks LLC,²⁶ QVC, Inc., Regional Programming Partners, Canales ñ, Court TV, MacNeil/Lehrer Productions, TV Guide, Inc., E! Entertainment Television, Style, Odyssey, International Channel, Sunshine Network, and Encore Media Group. Further, Liberty owns a series of common stock representing approximately nine percent or less of the common stock (but less than one percent of the voting power) of Time

²⁶ In a pending transaction, Liberty will divest its interest in Fox/Liberty Networks (which owns interests in various regional sports and fX, a regional cable television network) in exchange for non-voting American Depositary Receipts of News Corporation.

Warner Inc., which owns 74.49 percent of Time Warner Entertainment ("TWE").²⁷ Liberty also owns interests in a number of foreign programming service providers, including Flextech p.l.c. (UK), Jupiter Programming Co., Ltd. (Japan), MultiThematiques, S.A. (France, Italy, Spain, Poland, Germany), Pramer S.C.A. (Argentina), The Premium Movie Partnership (Australia), and Torneos y Competencias, S.A. (Argentina).

AT&T has issued two classes of separate tracking stocks, Liberty Group A and Liberty Group B, that track the performance of Liberty. The Liberty Group tracking stocks are held by separate public shareholders, and no part of the ownership of Liberty is reflected in AT&T common stock. The Liberty tracking stocks are held by shareholders that held TCI-Liberty tracking stock or TCI Ventures tracking stock prior to the merger of AT&T and TCI, and others that have purchased these publicly-traded shares subsequent to that merger. AT&T indirectly owns 100 percent of the outstanding capital stock of LMC, which, in turn, owns substantially all of the assets of Liberty. However, as a matter of AT&T's publicly disclosed Board policy, all dividends and distributions of Liberty must be passed through to the Liberty tracking stock shareholders by AT&T. Moreover, because the value of Liberty's assets are represented by the value of the Liberty tracking shares, any appreciation in the value of Liberty or its assets will be reaped by the Liberty tracking stock shareholders, not by the holders of regular AT&T common stock. Thus, although AT&T as a legal corporate matter "owns" the assets of Liberty, the regular AT&T common shareholders have no "economic interest" – *i.e.*, the

²⁷ The Commission has held that Liberty's ownership of Time Warner stock is non-attributable for purposes of the cable ownership rules. See Memorandum Op. and Order, *Applications of Turner Broadcasting System and Time Warner for Consent to Transfer of Control*, 11 FCC Rcd. 19595, ¶¶ 17-19 (1995).